
Introduction to Volume 5

An overpayment occurs when the student receives more aid than he or she was eligible to receive. One kind of overpayment, traditionally called an overaward, results from changes in the student's aid package; a second occurs when a student withdraws. This volume covers how a school should respond when a student withdraws.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR), and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



If we want to point out a bit of helpful information, we indicate it with:



Finally, if we want to draw your attention to something, we indicate it with:



Notes on Active Links

At the top of each page you will find links to Dear Colleague Letters, the Code of Federal Regulation, and the Federal Student Aid Glossary and Appendices.

[Glossary-Acronyms](#) [CFR](#) [DCL](#)

Major Changes

Chapter 1—Withdrawals and the Return of Title IV Funds

- ◆ We have revised the treatment of students who withdraw from clock-hour programs, non-term credit hour programs, and non-standard term credit-hour programs with terms that are not substantially equal (and in which no term is less than 9 weeks in length), and then transfer to a new school or reenter the same school in a similar program.
- ◆ We have updated the chart on Loan Principles Applicable to Re-entry in and Transfer to Clock-Hour Programs, Non-Term Credit Hour Programs, and Nonstandard Term Credit-Hour Programs with Terms that Are Not Substantially Equal (in which no term is less than 9 weeks in length).
- ◆ We have clarified how to perform a Return calculation when a transfer student with an abbreviated loan period withdraws from a non-term program, and have provided an example.